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BIOFUELS: 'Clean fuels' highway will link Great Lakes, Gulf of Mexico *(Monday, March 31, 2008)*

Daniel Cusick, *Greenwire* reporter

Interstate 65 -- the highway connecting the Great Lakes to the Gulf of Mexico -- will become the national "biofuels corridor" under a collaborative effort between the Energy Department and its state, local and industry partners in Indiana, Kentucky, Tennessee and Alabama.

The goal is to provide by October enough ethanol-blended gasoline, E-85, and B20 biodiesel to fuel vehicles traveling the 886-mile highway that links Mobile, Ala., with Gary, Ind. As many as a dozen gasoline retailers along the highway have agreed to install biofuels pumps, officials said.

Fueled by a $1.3 million federal grant, the project is aimed at promoting biofuels beyond the Corn Belt, where most of the corn-based fuel is produced and used.

Proposed stations along Interstate 65

image removed

Indiana, Kentucky, Tennessee and Alabama have partnered with the Energy Department to create the nation's first multistate "clean fuels corridor" along Interstate 65. By October, the partnership expects to provide 31 new E-85 pumps and five B20 biodiesel pumps between Gary, Ind., and Mobile, Ala. The project will allow travelers to drive the entire 886 miles of I-65 relying solely on biofuels.

I-65 is nicknamed "Auto Alley" for its high concentration of auto parts manufacturers and suppliers, including General Motors Corp.'s Bowling Green Assembly Plant in Kentucky and Hyundai Motor Co.'s new Montgomery, Ala., manufacturing plant. As many as 145,000 vehicles a day travel the highway at its most congested points.

The project is being done by DOE's Clean Cities program, a government-industry partnership aimed at reducing petroleum consumption. Officials are particularly interested in boosting ethanol sales in I-65's major cities: Indianapolis; Louisville, Ky.; Nashville, Tenn.; and Birmingham, Ala.

Julie Howe of the Indiana Office of Energy & Defense Development, which serves as the lead coordinator of the project, said the "biofuels corridor" concept emerged from strategy sessions held between Clean Cities coordinators in the four states.

"We kept it close to the vest because we knew this grant was going to be highly competitive and we wanted to do something that would really broaden the geographic reach of ethanol," she said. "We just really liked the idea of bringing biofuels to the southern part of the country where it wasn't as prominent as in the Midwest."

Progress report

Indiana, which had no retail E-85 pumps in January 2005, now has more than 100, Howe said. The state will install 19 additional E-85 pumps as part of the I-65 project and will build a new biodiesel blending facility.

Alabama, meanwhile, opened its first biofuels retail pumps earlier this month in suburban Birmingham, with five additional sites scheduled to come online over the next six months.

"Our goal is to make Alabama a driving force literally for biofuels," said Mark Bentley, executive director of the Alabama Clean Fuels Coalition. Beyond simply burning E-85 gasoline, Bentley said Alabama wants to become a production center for non-corn-based ethanol. "We've got enough pine trees and chicken litter in this state to meet all our demand and others, too," he said.

The state already supports four biodiesel plants but is currently buying its ethanol from out-of-state producers and blending E-85 at a fuel terminal in Birmingham.

Last Friday, E-85 at the Dogwood Shell Station on Montgomery Highway sold for $2.90 per gallon, 28 cents cheaper than regular unleaded gasoline, Bentley said. Biodiesel and regular diesel sold for the same price last week, $3.90 per gallon. But biodiesel has been as much as 20 cents a gallon cheaper since the station started pumping the biofuel in early March.

At a March 10 ribbon-cutting ceremony marking Alabama's first retail sales for E-85 and biodiesel, U.S. Rep. Spencer Bachus (R) noted that record-high oil prices, combined with political instability in the oil-rich Middle East, should encourage policymakers "to look seriously at alternative fuels," and he congratulated Alabama for being in the forefront of adopting biofuels.

In neighboring Tennessee, Dave Pelton of the Middle Tennessee Clean Cities project said the state will provide three E-85 pumps along its 180-mile stretch of I-65. One pump, in Goodlettsville north of Nashville, is already up and running.

Tennessee's first retail E-85 pump, in downtown Nashville, saw very limited use after it was installed in 2003, Pelton said. But the last several years have seen a major surge in sales. "When gasoline went over $2.50 a gallon, all of a sudden everybody started using it," he said.

Pelton said Tennessee adopted the biofuels corridor concept early on, in part because it is a large state that is "crisscrossed with interstate highways" linking major metropolitan areas throughout the Southeast. Gov. Phil Bredesen (D) has said he wants to promote "green islands" that provide E-85 and biodiesel at service stations across the state.

Tennessee also has committed roughly $75 million to help fund biofuels R&D programs at Oak Ridge National Laboratory and the University of Tennessee.

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